

Message Text

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PAGE 01 STATE 031397

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FM SECSTATE WASHDC

TO AMEMBASSY JIDDA

C O N F I D E N T I A L STATE 031397

STADIS //////////////////////////////////////

E.O. 11652: GDS

TAGS: USSAEC, EGEN, SA, US

SUBJECT: TREASURY PROPOSAL ON RIYADH OFFICE OF JOINT
COMMISSION

FOR AMBASSADOR FROM SOBER

1. BOWDEN TELLS ME HE DID NOT LEAVE BEHIND FOR YOU A COPY
OF A MEMO IN WHICH TREASURY HAS SET FORTH ITS IDEAS FOR
ORGANIZATION OF US OFFICE OF THE JOINT COMMISSION. (I
BELIEVE YOU HAVE SEEN AN EARLIER VERSION OF THIS MEMO,
WHICH HAD NOT BEEN CLEARED IN STATE.) THIS MEMO WAS
DISCUSSED WITH US BEFORE BOWDEN'S DEPARTURE FOR SAUDI
ARABIA AND INCORPORATES A NUMBER OF SUGGESTIONS WE MADE.
WE AGREED THAT HE COULD DISCUSS IT WITH YOU ON BASIS OF A
TALKING PAPER SUBJECT TO YOUR REVIEW AND COMMENT. WE
ANTICIPATED AND TOLD HIM THAT YOU WOULD SURELY HAVE SOME
SUGGESTIONS. KEY QUESTION, OF COURSE, RELATED TO YOUR
CONTROL OVER THE RIYADH OFFICE. WE TOLD BOWDEN THAT,
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 031397

FOR EXAMPLE, IT WOULD BE UP TO YOU TO DECIDE WHETHER YOU

WOULD WANT TO HAVE THE HEAD OF RIYADH OFFICE SERVE IN SOME FORM AS A MEMBER OF YOUR COUNTRY TEAM. IN THIS REGARD, NOTE THAT PARA 7 OF DRAFT TECHNICAL COOPERATION AGREEMENT REFERS TO AMERICAN STAFF OF THE JOINT COMMISSION OFFICE AS BEING "ATTACHED TO THE EMBASSY".

2. I BELIEVE RUD POATS WILL WANT TO DISCUSS THIS GENERAL SUBJECT WITH YOU WHEN HE IS IN RIYADH WITH UNDER SECRETARY ROBINSON. TEXT OF MEMO IN QUESTION FOLLOWS:

3. BEGIN TEXT:

MEMORANDUM

SUBJECT: US MISSION TO THE JOINT SAUDI-US ECONOMIC COMMISSION OFFICE IN RIYADH

AS WE UNDERSTAND IT FROM THE FOUNDING DOCUMENTS, THE OFFICE OF THE SAUDI-US ECONOMIC COMMISSION IN RIYADH WAS INTENDED TO BE A JOINT OFFICE, THAT IS, HAVE A SAUDI ELEMENT AND AN AMERICAN ELEMENT. CONSEQUENTLY, THE TABLE OF ORGANIZATION PROPOSED FOR THIS OFFICE WAS DESIGNED ON THAT ASSUMPTION. IN OUR THINKING ABOUT THIS OFFICE, WE HAVE HAD BEFORE US CONSTANTLY THE ANALOGY OF A US AID MISSION.

MISSION ORGANIZATION.

AS CAN BE SEEN FROM THE ATTACHED DIAGRAM, WE ENVISAGE A DIRECTOR AND A DEPUTY DIRECTOR, WITH AN AMERICAN SECRETARY SUPPORTING THEM. IN ADDITION, THERE WOULD BE THREE "MONITORS", ONE TO COVER EACH OF THE FOLLOWING FIELDS: AGRICULTURE, INDUSTRIALIZATION (INCLUDING SCIENCE AND TECHNOLOGY), AND EDUCATION/TRAINING. WE WOULD ALSO PROVIDE A SECRETARY TO SERVICE THESE THREE.

THE FUNCTIONS OF THE DIRECTOR AND DEPUTY DIRECTOR WOULD BE OVERALL PROGRAM MANAGEMENT AND ADMINISTRATION, STIMULATING AND COORDINATING WITH SAUDI AGENCIES THE DEVELOPMENT AND ELABORATION OF PROJECT AND PROGRAM PLANS, SEEING TO IT THAT

CONFIDENTIAL

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PAGE 03 STATE 031397

REQUESTS FOR US RESOURCES GOT TRANSMITTED IN GOOD FORM TO WASHINGTON, MAKING HOUSEHOLD ARRANGEMENTS FOR CONTRACTED AMERICAN EXPERTS, ETC. WE ENVISAGE THAT THE MONITORS WOULD WORK CLOSELY WITH THE SAUDI AGENCIES IMPLEMENTING PROGRAMS AND PROJECTS, KEEP FULLY POSTED ON PROGRESS BEING MADE, AS WELL AS PROBLEMS ENCOUNTERED, KEEP THE DIRECTOR, THE EMBASSY AND PERTINENT USG AGENCIES CURRENTLY INFORMED, ETC. UNDER THE SUPERVISION OF THE MISSION DIRECTOR, THE

MONITORS WOULD BE RESPONSIBLE FOR WORKING WITH THE RELEVANT AGENCIES OF THE SAUDI GOVERNMENT AND PRIVATE SECTOR, AS REQUIRED, TO DEFINE OBJECTIVES, DEVELOP SECTORAL PLANS, AND REFINE REQUIREMENTS BEFORE THEIR TRANSMITTAL TO THE USG. SUBSEQUENTLY, THEY WOULD FOLLOW, OR MONITOR, THE IMPLEMENTATION OF PROGRAMS AGREED ON, HELPING TO ELIMINATE BOTTLENECKS, EXPEDITE RESOURCES TO A CRITICAL SECTOR, AND SO ON. LOCALS.

IN ADDITION TO THE AMERICAN STAFF, OUR AND THE EMBASSY'S EXPERIENCE INDICATES THAT THERE MUST BE LOCAL HELP, OTHERWISE, THE OPERATION CANNOT SUCCEED IN ITS PURPOSES. WE WOULD, THEREFORE, PROPOSE TO HIRE TWO SAUDIS TO ASSIST THE AMERICAN STAFF IN CARRYING OUT WHATEVER FUNCTIONS WERE REQUIRED, BOTH SUBSTANTIVE AND ADMINISTRATIVE. THEY WOULD BE PAID FOR BY THE SAG.

FINANCING.

WE HAVE SOUGHT TO STRIKE A BALANCE ON THE FINANCING QUESTION WHICH ALLOWS US TO RETAIN SUFFICIENT CONTROL OVER THE NEW OFFICE AND MAKE IT RESPONSIVE TO USG DIRECTION, WHILE AT THE SAME TIME EQUITABLY SHARING THE COST OF ITS OPERATION WITH THE SAG. GUIDED BY THIS THINKING, WE ARE RECOMMENDING THAT THE US TREASURY FUND THE POSITIONS OF DIRECTOR, DEPUTY DIRECTOR AND THEIR SECRETARY. THE COSTS ASSOCIATED WITH THE MONITORS, THEIR SECRETARY AND THE LOCAL EMPLOYEES, AND GENERAL OFFICE ADMINISTRATION COSTS WOULD BE BORNE BY THE SAG UNDER THE TERMS OF THE TCA.

RELATIONSHIP TO EMBASSY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 031397

WE CONCEIVE OF THE MISSION OFFICE AS BEING A DECENTRALIZED OPERATION, DEDICATED TO THE EXECUTION OF SPECIALIZED TASKS UNDER THE TCA. THERE IS NO QUESTION IN THE MIND OF ANYONE INVOLVED IN THIS ENTERPRISE THAT THE RIYADH OFFICE WILL OPERATE UNDER THE (BEGIN UNDERLINE) POLICY GUIDANCE (END UNDERLINE) OF THE AMBASSADOR, AND WE WOULD SUGGEST THE FOLLOWING WAYS IN WHICH SUCH A RELATIONSHIP COULD BE MAINTAINED. THE DIRECTOR OF THE OFFICE, AND WHOEVER MIGHT AT ANY TIME BE STANDING IN FOR HIM WOULD BE RESPONSIBLE FOR KEEPING THE AMBASSADOR FULLY INFORMED OF THE MISSION'S ACTIVITIES ON A CURRENT BASIS. THIS WOULD INCLUDE ALL PROPOSALS MADE BY THE SAG WHICH SOUGHT USG ASSISTANCE IN ANY FORM. THE DIRECTOR WOULD ENSURE THAT IMPORTANT POLICY ISSUES AND CONTROVERSIAL MATTERS WERE BROUGHT TO THE AMBASSADOR'S ATTENTION FOR APPROPRIATE GUIDANCE.

COMMUNICATIONS.

IF THE EMBASSY DOES NOT NOW HAVE TELEX COMMUNICATIONS WITH THE COMMISSION OFFICE IN RIYADH, WE STRONGLY RECOMMEND THAT SUCH AN INSTALLATION BE PROVIDED FOR. THAT WOULD TAKE CARE OF ALL UNCLASSIFIED TRAFFIC BETWEEN THE TWO POSTS AND WOULD BE SUBSTANTIALLY MORE EFFECTIVE THAN THE

PRESENT TELEPHONE SERVICE BETWEEN THE TWO CITIES. TELEX MESSAGES WOULD BE SENT SIMULTANEOUSLY TO THE DEPARTMENT OF STATE AND THE TREASURY DEPARTMENT IN WASHINGTON FOR NECESSARY HANDLING. AS A GENERAL RULE, EMBASSY JIDDA WOULD BE EITHER AN INFO OR AN ACTION ADDRESSEE. FOR THE PRESENT TIME, CLASSIFIED COMMUNICATIONS CAN BE HANDLED THROUGH THE EXISTING SYSTEM AT THE US MILITARY MISSION.

WE WOULD THEN PROPOSE THAT AS A MEANS OF CLEWING THE AMBASSADOR FULLY INTO MATTERS THAT COULD NOT EASILY BE COMMUNICATED BY TELEX, THE DIRECTOR OR DEPUTY DIRECTOR MAKE IT A PRACTICE TO FLY DOWN TO JIDDA EVERY TWO WEEKS OR SO (ASSUMING THE AMBASSADOR WERE NOT GOING UP TO RIYADH), BRIEF HIM IN PERSON ON ALL PHASES OF THE OPERATION, AND RECEIVE APPROPRIATE GUIDANCE FROM HIM.

WE ALSO BELIEVE IT WOULD SERVE WELL THE GOAL OF GOOD CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 031397

COMMUNICATIONS BETWEEN THE TWO POSTS IF THE EMBASSY OFFICER NOW SERVING IN RIYADH AS LIAISON TO THE COMMISSION WERE FOLDED INTO THE STAFF OF THE NEW OFFICE AND ASSIGNED A GIVEN SET OF FUNCTIONS. THIS WOULD ALLOW HIM TO COVER HIS MISSION FOR THE EMBASSY WITH A LOW PROFILE, AS WELL AS BE OF GREAT ASSISTANCE TO THE US MISSION IN RIYADH.

TIMING.

WE BELIEVE IT IS VERY IMPORTANT TO MOVE RAPIDLY TO GET PEOPLE ON THE SPOT IN RIYADH AS AN EARNEST OF OUR COMMITMENT TO HELP THE SAUDIS GET CERTAIN HIGH-PRIORITY PROJECTS AND PROGRAMS OFF THE GROUND. WE ARE THEREFORE HOPEFUL THAT AN ACTION PLAN CAN BE AGREED UPON SO THAT WE CAN SET THINGS IN MOTION.

END TEXT. ING

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